

## **FISCAL NOTE**

TO: Chief Clerk of the Senate  
Chief Clerk of the House

FROM: James A. Davenport, Executive Director

DATE: March 6, 1995

SUBJECT: **HB 362 - SB 1427**

This bill, if enacted, will provide for the *Anti-Unfunded Mandates Act of 1995*. This bill will allow a local government to disregard any portion of a state law, executive order or rule imposing a requirement which is not fully funded by the state.

The bill provides that a local government may prospectively nullify an unfunded mandate and that a local government may only prospectively nullify that portion of a mandate which lacks full funding. The bill defines *prospectively nullify* as a decision by the legislative body of a local government that a state mandate or a portion of a state mandate may be disregarded because the mandate or the portion of the mandate lacks full funding.

The bill also creates a Commission on State Mandates and provides for hearings and for appeals of the Commission's determination to the Tennessee Court of Appeals.

The fiscal impact from enactment of this bill is estimated to be an increase in first year state expenditures for 1) costs of the commission; 2) conduct of hearings; and 3) any additional expenditure requirements

provided by the state to provide full funding of a state law, executive order or rule imposing a requirement on local governments. A reasonable estimate of the increase cannot be determined but is estimated to exceed \$100,000.

The fiscal impact on local governments from enactment of this bill in and of itself is estimated to be minimal since the provisions of the bill are permissive.

The fiscal impact from enactment of this bill is estimated to prevent an increase in local government expenditures to the extent state mandates on local governments are not administered. A reasonable estimate of the amount of expenditures which will not be incurred cannot be determined but is estimated to exceed \$100,000. The fiscal impact on local governments is also estimated to be a decrease in first year local government expenditures to the extent existing mandates are disregarded by local governments. A reasonable estimate of the decrease cannot be determined but is estimated to exceed \$100,000.

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James A. Davenport". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

James A. Davenport, Executive Director